weekly economic review

September 6, 2013

Labour Market

Alberta job growth sustains momentum

The province's employment posted another large increase in August (+15,200), building off July's gain (+16,600). This is the fourth notably strong increase in the last five months. Virtually all of the new jobs were in self-employed positions. August's job gains were evenly split between full-time and part-time positions. Year-over-year employment growth rose to 3.6%, the fastest pace since May 2012. Despite the impressive job gain, the province's unemployment rate increased 0.3 percentage points to 4.8% as 22,300 people joined the labour force in August (for more information on Alberta's rising labour force, see this month's *Labour InSight*). Despite the increase, Alberta holds the second-lowest unemployment rate in the country.

Canadian employment increased by 59,200 in August, pushing the unemployment rate down slightly to 7.1%. Job gains were concentrated among people over the age of 55.

International Merchandise Exports

Exports bounce back

Exports jumped 13.7% in July over the same month last year, on strong gains from the energy sector (+17.1%). Energy exports had a strong recovery with prices increasing sharply and refineries back in operation after closures earlier this year. Basic & industrial chemical, plastics & rubber products - the second largest contributor to exports - fell slightly from last month, though continues to post strong gains on a year-over-year basis. Overall, exports are up 4.8% year-to-date.

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Residential Construction

Investment jumps in second quarter

The total nominal value of residential construction investment in Alberta hit a record level of $4.1 billion in the second quarter of this year. This marks an 11.0% increase over the same period last year, with total investment up 9.4% year-to-date. Overall investment is being led by new dwelling investment, which jumped 16.0% over the second quarter of 2012, marking the seventh consecutive increase. Gains in new dwelling investment was tempered by renovation investment, which fell 2.2% from the same time last year.

Nationally, total investment edged up slightly (+2.1%) year-over-year due to stronger renovation spending.

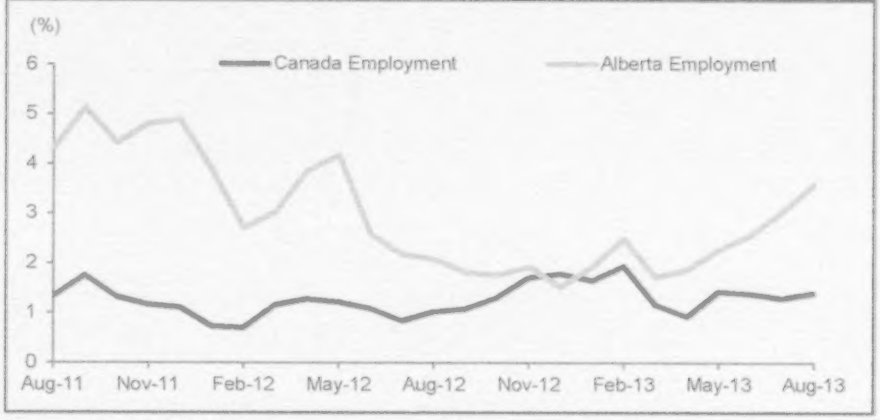
US Labour Market

Underwhelming jobs report

The US economy added 169,000 payroll jobs in August, up from an increase of 104,000 jobs in July, but short of market expectations and below the average monthly job gain of 184,000 over the last 12 months.

The unemployment rate, which is calculated using a separate survey, ticked down 0.1 percentage points to 7.3%, the lowest rate since December 2008. The fall in the unemployment rate occurred entirely because fewer people were looking for work. The labour force participation rate (the share of the population that is employed or actively seeking employment) fell to 63.2%, a 30-year low.

Employment Growth (year-over-year change)



Source: Statistics Canada

Closing Price	August 29, 2013	September 6, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	95.00	95.24	97.01
WTI Oil ($US/bbl)	108.80	108.37	99.09
NYMEX Natural Gas($US/MMBtu)	3.62	3.58	3.81

Alberta Economic Indicators

Population	2011	2012	2013YTD	Mar	Apr	May	June	July	Aug
Population (000's)	3,778	3,874	3,966	..	3,965	..	..	..	..
y/y % change	1.5	2.5	3.2	..	3.2	..	..	..	..
Net Interprovincial Migration[1]	8,443	28,170	38,886	..	13,438	..	..	..	..
Net International Migration[1]	16,705	37,990	30,779	..	13,674	..	..	..	..
Net Non-permanent Residents[1]	-7,604	9,721	9,762	..	6,949	..	..	..	..
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,189	2,168	2,183	2,201	2,201	2,217	2,232
y/y % change	3.8	2.7	2.3	1.7	1.9	2.3	2.6	3.0	3.6
NEW: Unemployment Rate (%), SA	5.5	4.6	4.6	4.8	4.4	4.8	5.0	4.5	4.8
NEW: Participation Rate (%), SA	73.7	73.4	72.9	72.6	72.5	72.3	73.1	73.0	73.6
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,101.73	1,098.08	1,099.83	1,119.54	1,109.80	..	..
y/y % change	4.4	3.6	4.0	3.4	3.5	5.4	2.9	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	1.2	1.3	2.3	2.3	2.2	..
Excluding food and energy	0.8	1.4	1.3	1.2	0.9	1.1	1.6	1.9	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.1	1.4	..	..	0.9	..	..
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	4.4	4.9	5.9	5.3	..	..
Crops	19.0	6.7	6.0	9.3	7.0	7.2	5.9	..	..
Livestock	17.2	5.9	3.2	0.2	2.9	4.8	4.7	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	36.5	35.1	39.8	42.4	37.9	33.6	..
y/y % change	-5.1	29.9	9.2	1.0	0.3	26.4	12.3	1.2	..
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.5	2.4	2.5	2.7	2.9	..	..
Edmonton	0.9	0.9	0.6	0.6	0.4	0.2	0.6	..	..
Calgary	0.1	1.7	4.5	4.3	4.7	5.3	5.3	..	..
MLS Average Resale Prices ($,000's)	362.7	362.0	376.0	378.0	375.8	375.6	376.5	377.1	..
y/y % change	0.5	2.6	4.6	5.8	4.0	2.9	4.4	4.4	..
Edmonton ($,000's)	324.2	332.7	340.9	342.3	345.3	339.6	344.7	340.0	..
y/y % change	0.7	2.6	2.7	3.3	4.7	1.1	3.7	2.8	..
Calgary ($,000's)	401.9	410.8	432.1	435.2	425.4	424.8	431.0	438.3	..
y/y % change	1.1	2.2	6.1	7.6	3.5	2.6	5.3	6.8	..
Retail Sales, SA (y/y % change)	6.8	6.9	6.5	5.1	6.8	7.3	7.7	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.6	-0.1	19.7	7.0	3.4	..	..
Consumer Bankruptcies	7,029	5,759	2,560	429	464	434	375	..	..
y/y % change	-13.8	-18.1	-18.5	-24.5	-11.3	-15.7	-22.5	..	..
Business Sector									
Rigs Drilling	286	260	230	306	115	68	115	187	239
y/y % change	30.4	-12.6	-7.4	-9.5	-18.2	-0.3	-17.3	-5.7	7.0
NEW: Goods Exports, customs based (y/y % change)	18.4	1.8	2.1	0.0	-1.0	11.6	-0.5	13.7	..
Energy	19.2	2.1	2.1	1.4	-2.4	12.3	0.4	17.1	..
Farm, Fishing and Intermediate Food	27.2	20.6	0.7	5.4	-6.4	-7.1	16.0	5.8	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	9.3	..	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	1.4	3.6	3.7	0.8	2.7	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.3	2.7	-0.3	0.0	..	..	..
Building Permits, SA (y/y % change)	11.8	14.7	19.2	38.6	11.4	1.2	24.3	..	..
Residential	5.2	17.7	14.8	14.6	18.4	12.3	15.8	..	..
Non-residential	20.9	11.0	24.7	72.1	5.1	-12.0	36.1	..	..
Business Bankruptcies	264	230	71	12	15	11	9	..	..
y/y % change	-30.2	-12.9	-47.0	-36.8	-25.0	-60.7	-59.1	..	..

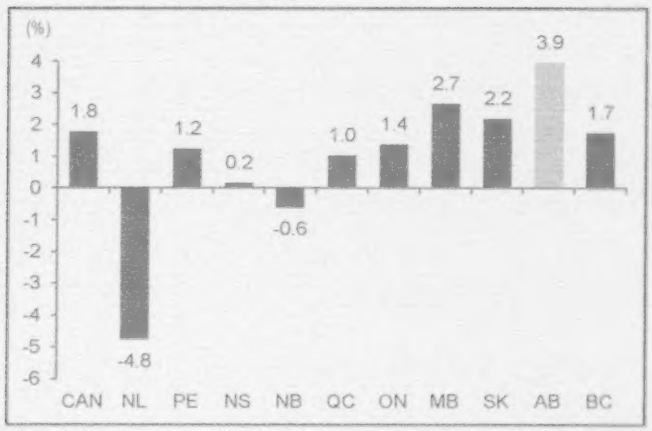
1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

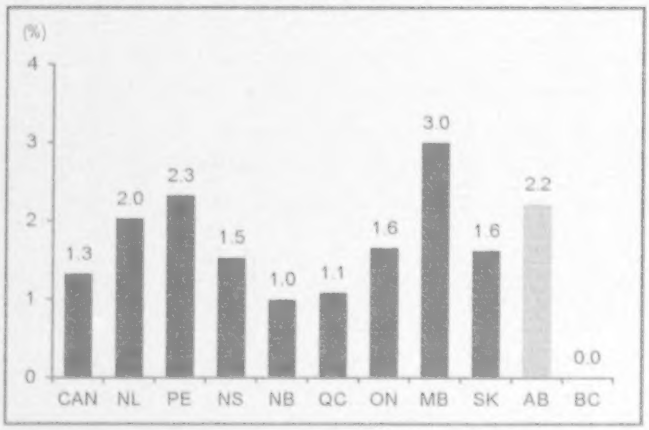
All historical data are subject to revision.

Economic Indicators by Province

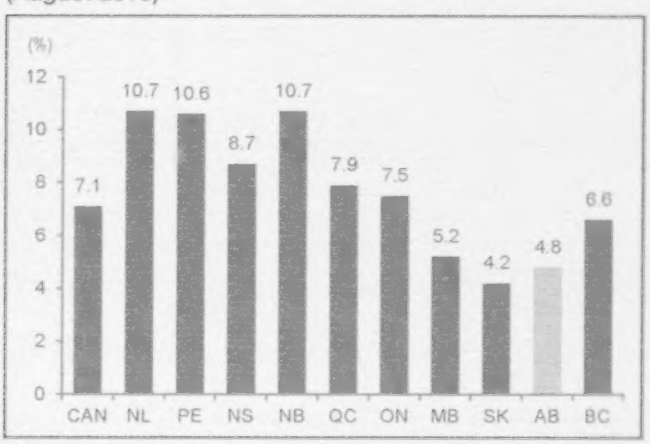
Real GDP by Industry
(2012, year-over-year growth)



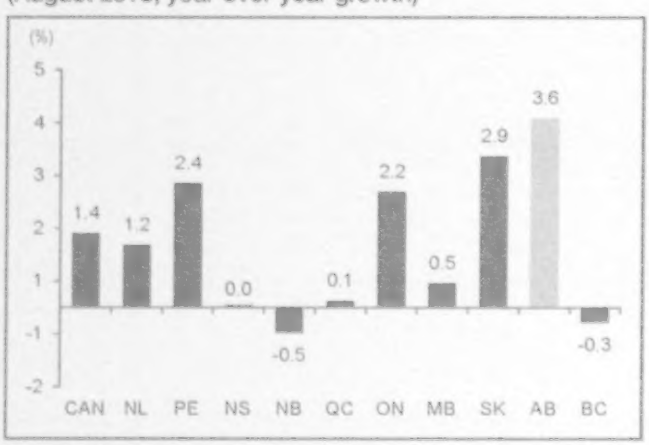
CPI Inflation
(July 2013, year-over-year growth)



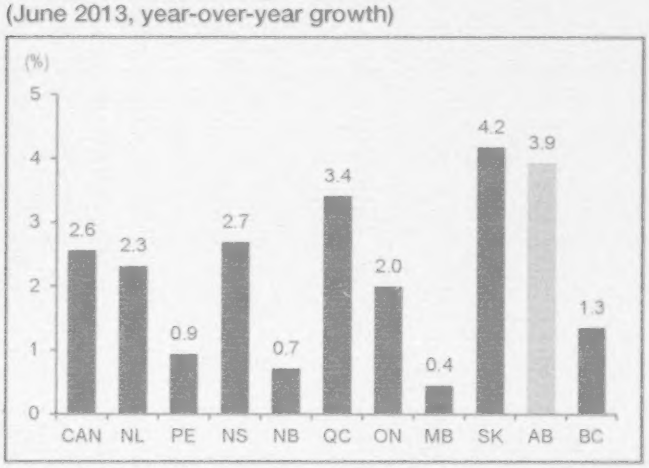
Unemployment Rate
(August 2013)



Employment
(August 2013, year-over-year growth)



Average Weekly Earnings
(June 2013, year-over-year growth)



Housing Starts
(July 2013, SAAR, year-over-year growth)